



THE COMMITTEE ON

WAYS & MEANS

# Retirement, Savings, and Other Tax Relief Act of 2018

## DIVISION A

### Disaster-related tax relief

- Provides tax relief for individuals and businesses affected by disasters like Hurricanes Florence and Michael, Typhoons Mangkhut and Yutu, the California fires, the Kilauea volcanic eruptions and earthquakes, and severe storms in several states. **The full list of states and territories helped by disaster-relief:**

Alabama	South Carolina
California	Texas
Florida	Virginia
Georgia	Wisconsin
Hawaii	America Samoa
Indiana	Guam
North Carolina	Northern Mariana Islands
- Relief includes special rules allowing access to retirement funds, suspension of limits on deductions for charitable contributions, special rules for deductions for personal casualty disaster losses, special rules for measurement of earned income for purposes of qualification for tax credits, and a special employee retention credit for businesses whose operations are interrupted.
- Also included is an automatic extension of IRS filing dates for all federally declared disasters.

### Retirement and other family savings

- Helps businesses provide retirement plans to their workers, helps families to start saving earlier and more throughout their lives, and expands the coverage of section 529 education savings plans.
- Includes core provisions from the *Family Savings Act*, which passed the House in September as part of Tax Reform 2.0.

### Obamacare tax relief

- Adds five more years of relief from Obamacare's job and innovation killing 2.3 percent excise tax on importers and manufacturers of **medical devices**.
- Delays the implementation of Obamacare's **Cadillac Tax** until 2023, granting employers one additional year of relief from the punitive tax.
- Suspends Obamacare's **health insurer tax** for calendar years 2020 and 2021 to maintain the premium reduction from the 2019 delay.
- Repeals Obamacare's unfair 10 percent excise on indoor **tanning** services that has resulted in higher costs and fewer jobs.

## Other tax provisions

- **Provides a permanent solution to two temporary tax provisions**, with the short-line railroad track maintenance credit modified and made permanent and the biodiesel and renewable diesel credit phased out.
- **Key technical corrections and clarifications to the *Tax Cuts and Jobs Act***, providing clarifications on qualified improvement property (QIP), net operating losses (NOLs), deductibility of plaintiff's attorneys' fees, application of the 20-percent deduction to REIT dividends, interaction of overpayments and deemed repatriation tax installments, application of attribution rules, and application of the floor plan financing interest rules to recreational vehicles.
- **Repeals the non-profit parking provision** to proactively eliminate any potential tax uncertainty for our churches and community organizations so nothing distracts them from their core mission.
- Allows additional flexibility for private foundations that own stock in business entities.
- **Repeals the Johnson Amendment** to make clear that a 501(c)(3) organization will not lose its tax-exempt status solely because of statements made in the ordinary course of the organization's customary activities carrying out its tax-exempt purpose.
- Allows tax-exempt charitable and educational organizations to make collegiate housing and infrastructure grants to tax-exempt social clubs such as fraternities and sororities

## The Taxpayer First Act of 2018

### DIVISION B

## Bipartisan package to redesign the Internal Revenue Service (IRS)

- Takes bold steps to redesign the IRS with one singular mission: taxpayer service. It also seeks to modernize the IRS and improve the ease and efficiency of the taxpayer experience when filing taxes, retrieving information, resolving issues, and making payments.
- Creates an independent appeals process to ensure taxpayers are treated fairly; overhauls IRS enforcement tools to address past abuse; increases information technology oversight; strengthens the IRS's ability to combat identity theft; and enhances cybersecurity.
- Passed the House nearly unanimously. On April 18, 2018, H.R. 5444, *The Taxpayer First Act*, passed 414 Yeas to 0 Nays and H.R. 5445, the *21st Century IRS Act*, passed 414 Yeas to 3 Nays.